



***Prepared for:***

***The Defined Contribution and  
Retirement Study Committee***

***Informational Presentation on the  
Arizona State Retirement System  
“Long Term Disability Income Plan”***

Prepared by:  
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# **1. Disability Determination**

# **2. Benefit Payment Process**

# **3. Maintenance & Review Process**

# **4. Appeal Process**

# **5. Offset Calculations**

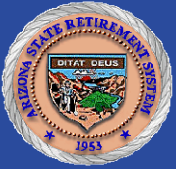


# **1. Disability Determination**



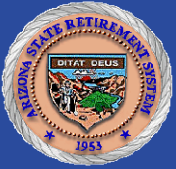
# **Disability Determination**

- ☐ Medical provider determines disability**
- ☐ Expectation of no work for a period greater than 6 months**
- ☐ No Long Term Disability (LTD) benefits payable for the first 6 months (waiting period)**
- ☐ Employer provides employee with LTD application packet**



## **Disability Determination** **(cont.)**

- ☐ Employer submits LTD application packet to Claims Administrator (CA)**
- ☐ CA assigns claim to a Case Manager (CM)**
- ☐ CM calls employee to discuss LTD review process**
- ☐ Follow-up letter is sent to employee**
- ☐ CM requests medical records**



# **Disability Determination** **(cont.)**

- ❑ Medical records reviewed to determine if the employee can perform his/her own job**
  - Registered Nurse may review records
  - Employee may also be referred for an Individual Medical Exam, Functional Capacity Exam or file review



## Disability Determination (cont.)

- ☐ **If employee is unable to perform his/her own job duties, claim is approved for the initial 24 months or less if recovery is expected**



## **2. Benefit Payment Process**





# **Benefit Payment** **Process**

- ❑ ASRS advised claim is medically approved. Confirmation of eligibility and compensation is requested by CA.**
- ❑ CM's supervisor reviews claim decision within one business day**
- ❑ ASRS confirms compensation**
- ❑ CA applies the 66 2/3% LTD benefit percent to employee's compensation**

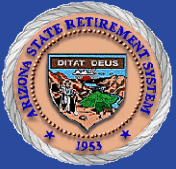


## **Benefit Payment** **Process (cont.)**

- ☐ CA determines retroactive benefits, if any, and identifies all statutory offsets**
- ☐ Approval letter is sent to employee advising length of approval, benefit amount, and whether retroactive benefits are payable**



# **3. Maintenance & Review Process**



# **Maintenance & Review** **Process**

- ❑ Medical updates every 6 months during the initial 24 month period, every 12 months thereafter**
- ❑ Review conducted within 6 months of estimated benefit termination to consider if employee satisfies second definition of LTD disability – any occupation**



## **Maintenance & Review** **Process (cont.)**

- ☐ LTD CM notifies employee explaining change in disability definition & requesting completion of forms**
- ☐ Updated medical records are requested**
- ☐ If employee's condition prevents any type of work, LTD CM will refer claim to supervisor to approve continuing LTD benefits**



## **Maintenance & Review** **Process (cont.)**

- ❑ If employee's medical condition does specify some level of function a Transferable Skills Analysis (TSA) is requested**
- ❑ If TSA does not identify alternate occupations that provide at least gainful compensation, LTD CM will refer claim to supervisor to approve for continuing LTD benefits**



## Maintenance & Review Process (cont.)

- ❑ If TSA does identify alternate occupations that provide at least gainful compensation, LTD CM, upon approval from supervisor, contacts employee to discuss LTD termination procedures**



## **4. Appeal Process**





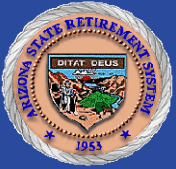
## **Appeal Process**

- ☐ Medical updates requested every 6 months during the initial 24 month benefit period and every 12 months thereafter**
- ☐ If medical updates support continued benefit eligibility, LTD benefit continues**
- ☐ If medical updates do not support continued benefit eligibility, LTD benefits are terminated**
- ☐ Employee may appeal the termination of benefits**



## **Appeal Process (cont.)**

- ☐ 1<sup>st</sup> appeal is to CA for reconsideration of termination decision**
- ☐ 2<sup>nd</sup> appeal is to CA's National Appeals Unit for an independent review**
- ☐ If termination of benefits is upheld, employee may appeal to ASRS Director**
- ☐ If termination of benefits is upheld, employee may appeal to ASRS Board of Trustees**

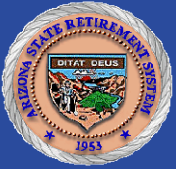


## **Appeal Process (cont.)**

- ❑ ASRS Board uses Office of Administrative Hearings (OAH) to adjudicate appeals and then considers the OAH recommendation in Board deliberations**
- ❑ If termination of benefits is upheld, employee may appeal to ASRS Board for reconsideration**
- ❑ If termination of benefits is upheld, employee may file court action**



# **5. Offset Calculations**



# Offset Calculations

## **□ LTD Benefits are reduced by:**

- 64% of Social Security Disability\*
- 83% of Social Security Retirement Benefits\*
- 100% of all benefits or disability provided by participating employer
- 100% of Workers' Compensation Act benefits
- 100% of Veteran's Disability
- 50% of salary or wages from gainful employment

\*85% for a member disabled after July 1, 2008